- 2 -

**In the claims:**

1-30.  (Cancelled)

31.  (Currently amended) A method for advertising to users of telephone services, comprising the steps of:

receiving advertisements from participating advertisers at an advertisement managing server, and storing the advertisements associated with the advertisers in a data repository;

receiving bid data over the network from participating advertisers for playing of one or more of the audio advertisements to callers to one or more of participating telephone services;

determining whether the bid data is satisfactory to one or more of the participating telephone services; and

upon the bid data being determined satisfactory, associating the bid data and identity of the accepting telephone services with the appropriate advertisements in the data repository; and

upon receiving notice of a call to one of the accepting telephone services, accesses rules for associating data about the caller, the telephone service, the available advertisements and the received bids to ~~retrieving~~ select and retrieve an appropriate ad accepted by that telephone service to best maximize profits for a host of the managing server, and providing the retrieved advertisement to the telephone service to be played as audio to the caller.

32.  (Previously presented) The method of claim 31 wherein the step for determining comprises determining that the bid data is not satisfactory to any one of the participating telephone services, notifying the participating advertiser of the determination, receiving second bid data from the participating advertiser over the network, determining whether the second bid data is satisfactory, and repeating the determining cycle until the bid data

- 3 -

is satisfactory, or until the advertiser stops bidding.

33. (Previously presented) The method of claim 31 wherein the bid data includes a financial arrangement regarding payment for playing the audio advertisement.

34. (Previously presented) The method of claim 33 wherein the financial arrangement includes revenue sharing.

35. (Previously presented) The method of claim 31 wherein advertisements retrieved from the data repository to be played are selected according to a user profile of a caller to which the advertisement may be played.

36. (Previously presented) The method of claim 31 wherein selection is made at least in part according to balanced ad usage rules.

37. (Canceled)

38. (Previously presented) The method of claim 31 wherein one or more of the stored advertisements are audio files.

39. (Previously presented) The method of claim 31 wherein one or more of the stored advertisements are Voice XML files to be inserted into voice applications to be executed by one of the telephone services.

40. (Previously presented) The method of claim 31 wherein location identifiers to locate an audio file on a server in the network are stored in a data repository, and retrieved as bid data is determined satisfactory, and the identifiers are then used to retrieve the audio file.

- 4 -

41. (Previously presented) The method of claim 31 wherein ad usage data is provided to participating advertisers for their use in formulating bid data.

42. (Currently amended) A system for advertising to users of telephone services, comprising:

an advertisement management server;

a plurality of participating advertisers coupled to the management server through a network; and

a plurality of participating telephone services also coupled to the management server by the same or another network;

wherein the management server receives advertisements from participating advertisers over the network, stores the advertisements associated with the advertisers in a data repository, receives bid data over the network from participating advertisers for playing of one or more of the audio advertisements to callers to one or more of participating telephone services, determines whether the bid data is satisfactory to one or more of the participating telephone services, upon the bid data being determined satisfactory, associates the bid data and identity of the accepting telephone services with the appropriate advertisements in the data repository, and upon receiving notice of a call to one of the accepting telephone services, accesses specific processing rules which associate data about the caller, the telephone service, the available advertisements and the received bids, retrieves an appropriate ad accepted by that telephone service to best maximize profits for at least a host of the management server, and provides the retrieved advertisement to the telephone service to be played as audio to the caller.

43. (Previously presented) The system of claim 42 wherein the management server determines that the bid data is not satisfactory to any one of the participating telephone services, notifies the participating advertiser of the determination, receives second bid data from the participating advertiser over the network, determines whether the second bid data is satisfactory, and repeats the determining cycle until the bid data is satisfactory,

- 5 -

or until the advertiser stops bidding.

44. (Previously presented) The system of claim 42 wherein the bid data includes a financial arrangement regarding payment for playing the audio advertisement.

45. (Previously presented) The system of claim 44 wherein the financial arrangement includes revenue sharing.

46. (Previously presented) The system of claim 42 wherein advertisements retrieved from the data repository to be played are selected according to a user profile of a caller to which the advertisement may be played.

47. (Previously presented) The system of claim 42 wherein selection is made at least in part according to balanced ad usage rules.

48. (Canceled)

49. (Previously presented) The system of claim 42 wherein one or more of the stored advertisements are audio files.

50. (Previously presented) The system of claim 42 wherein one or more of the stored advertisements are Voice XML files to be inserted into voice applications to be executed by one of the telephone services.

51. (Previously presented) The system of claim 42 wherein location identifiers to locate an audio file on a server in the network are stored in a data repository, and retrieved as bid data is determined satisfactory, and the identifiers are then used to retrieve the audio file.

- 6 -

52. (Previously presented) The system of claim 42 wherein ad usage data is provided to participating advertisers for their use in formulating bid data.